

Written Testimony and Statement for the Record

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Nomination Hearing

Senate Committee on Banking, Housing and Urban Affairs

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Mr. Chairman and Members of the Committee, because no outside witnesses are being allowed to testify today, I am pleased to submit written testimony in opposition to the nomination of former Rep. Scott Garrett to be President of the Export-Import Bank of the United States. I ask that this statement be included as part of the record for today's hearing.

U.S. exporters employ tens of thousands of Americans, and the Export-Import Bank plays a vital role in ensuring that those exporters can compete successfully around the globe. The competition they face is stiff: there are more than sixty foreign export credit agencies that provide more than \$1 trillion in export financing to foreign companies. Foreign companies aggressively use these export credit agencies to compete with American businesses and expand their export opportunities. The Export-Import Bank exists to level the playing field for U.S. exporters faced with this sort of competition and to fill gaps in private sector financing.

American companies are the most innovative in the world, but there are a number of situations in which the Export-Import Bank is a necessary partner in their success. For example, there are many large infrastructure and other projects where the host country requires export credit agency support. For these types of projects, American companies cannot even bid without financing from the Export-Import Bank. Similarly, many smaller businesses in smaller communities do not have local banks with the expertise to provide export financing. The Export-Import Bank works with these exporters and their banks to arrange financing and open new markets for these American entrepreneurs.

At the same time that the Export-Import Bank supports American exporters, small businesses, and jobs, it does so at absolutely no cost to taxpayers. In fact, over the past several decades, the Bank has returned \$7 billion to the United States Treasury.

For these reasons, it is absolutely baffling that a small group of ideologues has tried, in recent years, to eliminate the Bank and sabotage its operations – an exercise in unilateral disarmament that would offshore American jobs and technology, reduce American competitiveness, boost our trade deficit, hurt small businesses, and benefit our competitors. It is even more baffling that a leader of this effort, former Rep. Scott Garrett, has now been nominated to serve as President of the Bank.

In the House of Representatives, I was proud to help lead the last two successful efforts to reauthorize the Bank, producing overwhelming bipartisan majorities on both occasions. Mr. Garrett was equally proud and vocal in leading the opposition to the Bank, voting against its reauthorization while voting for a host of amendments designed to sabotage its operations.

During those debates, Mr. Garrett said that the Bank “embodies the corruption of the free enterprise system.” He also declared that, “Congress should put the Export-Import Bank out of business.” And he called the Bank a “fund for corporate welfare.” All of these statements demonstrate a profound misunderstanding of the Bank and how it operates to help American businesses and workers compete.

It is inconceivable that someone who holds these views could successfully lead the Bank in its Congressionally-directed mission of boosting American exports and aggressively countering foreign export credit agencies. Instead, as Chairman of the Export-Import Bank’s Board, Mr. Garrett could do tremendous damage to American exports and jobs simply by using his power to control the agenda and block transactions from coming up for consideration that are supported by the Bank’s career experts and the remainder of the Board.

It is equally inconceivable that Mr. Garrett can argue – believably – that he no longer holds these views. Any attempt to do so would only highlight that he cannot be trusted: Members of this Committee would be forced to ask themselves: “Was Mr. Garrett misleading his colleagues and his constituents when he stridently opposed the Bank during his time in Congress – or is he misleading us now?”

In short, having failed to eliminate the Bank and sabotage its mission while in Congress, Mr. Garrett should not be given the opportunity to sabotage it from within and from the very top.

The Export-Import Bank has been unable to fully function for more than two years, to the great detriment of American exporters and the workers they employ. It is time to unleash those exports by putting the Bank fully back in business. That cannot happen with Mr. Garrett as the Bank’s President and Chairman, and it cannot happen so long as his nomination is allowed to block the confirmation of the four other fine individuals who have been nominated to fill the remaining slots on the Bank’s Board. I urge you to reject Mr. Garrett’s nomination and quickly move to confirm the remaining nominees.

Thank you for your consideration of my views.